

LEXAM EXPLORATIONS INC.

NEWS RELEASE

Toronto, Canada
November 1, 2001

2001 Third Quarter Results

(All amounts in this news release are expressed in Canadian dollars.)

Financial Highlights

	Three months ended September 30,		Nine months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Loss	\$ (167,063)	\$ (59,404)	\$(297,674)	\$ (50,792)
Loss per share	nil	nil	(0.01)	nil

Financial Information

Attached are the Consolidated Financial Statements of Lexam Explorations Inc. for the three and nine months ended September 30, 2001.

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Stock Symbol: ME ("LEX")

**LEXAM EXPLORATIONS INC.
CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Balance Sheets

(in Canadian dollars)

	As at September 30, 2001 <u>(unaudited)</u>	As at December 31, 2000 <u></u>
Assets		
Current assets		
Cash	\$ 2,739	\$ 8,829
Accounts receivable	7,890	5,312
Prepaid expenses	533	4,944
Marketable securities	<u>455,000</u>	<u>600,000</u>
	466,162	619,085
Resource properties	<u>2,409,381</u>	<u>2,353,646</u>
	<u>\$ 2,875,543</u>	<u>\$ 2,972,731</u>
Liabilities and Shareholders' Equity		
Liabilities		
Accounts payable and accrued liabilities	\$ 1,215,503	\$ 1,217,596
Demand loan (note 1)	<u>-</u>	<u>1,035,650</u>
	<u>1,215,503</u>	<u>2,253,246</u>
Shareholders' equity		
Capital stock (notes 1 and 3)	16,395,214	15,156,985
Deficit	<u>(14,735,174)</u>	<u>(14,437,500)</u>
	<u>1,660,040</u>	<u>719,485</u>
	<u>\$ 2,875,543</u>	<u>\$ 2,972,731</u>
Contingencies (note 1)		

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations and Deficit (unaudited)*(in Canadian dollars)*

	Three months ended September 30,		Nine months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues				
Interest and other income	\$ 23	\$ 151	\$ 120	\$ 442
Expenses				
Administrative	19,772	38,087	101,348	129,534
Exploration	2,314	2,237	16,759	11,715
Interest expense	-	19,231	34,687	54,868
	<u>22,086</u>	<u>59,555</u>	<u>152,794</u>	<u>196,117</u>
Provision for decline in value of investment	(145,000)	-	(145,000)	-
Gain on sale of resource properties	-	-	-	144,883
Loss for the period	<u>(167,063)</u>	<u>(59,404)</u>	<u>(297,674)</u>	<u>(50,792)</u>
Deficit at beginning of period	<u>(14,568,111)</u>	<u>(13,526,344)</u>	<u>(14,437,500)</u>	<u>(13,534,956)</u>
Deficit at end of period	<u><u>\$(14,735,174)</u></u>	<u><u>\$(13,585,748)</u></u>	<u><u>\$(14,735,174)</u></u>	<u><u>\$(13,585,748)</u></u>
Loss per share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows (unaudited)*(in Canadian dollars)*

	Three months ended September 30,		Nine months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Cash provided by (used in)				
Operating activities				
Loss for the period	\$ (167,063)	\$ (59,404)	\$ (297,674)	\$ (50,792)
Items not affecting cash				
Provision for decline in value of investment	145,000	-	145,000	-
Gain on sale of resource properties	-	-	-	(144,883)
Change in non-cash operating working capital	<u>73,406</u>	<u>(41,558)</u>	<u>167,632</u>	<u>98,586</u>
Net cash used in operating activities	<u>51,343</u>	<u>(100,962)</u>	<u>14,958</u>	<u>(97,089)</u>
Investing activities				
Additions to resource properties, net of recoveries from option partner	(55,735)	81,043	(55,735)	2,039
Proceeds on disposal of resource properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,260</u>
Net cash provided by (used in) investing activities	<u>(55,735)</u>	<u>81,043</u>	<u>(55,735)</u>	<u>51,299</u>
Financing activities				
Demand loan	<u>-</u>	<u>19,231</u>	<u>34,687</u>	<u>54,868</u>
Net cash provided by financing activities	<u>-</u>	<u>19,231</u>	<u>34,687</u>	<u>54,868</u>
Increase (decrease) in cash	(4,392)	(688)	(6,090)	9,078
Cash at beginning of period	<u>7,131</u>	<u>15,438</u>	<u>8,829</u>	<u>5,672</u>
Cash at end of period	<u>\$ 2,739</u>	<u>\$ 14,750</u>	<u>\$ 2,739</u>	<u>\$ 14,750</u>

The accompanying notes are an integral part of these consolidated financial statements.

Lexam Explorations Inc.
Notes to Consolidated Financial Statements (unaudited)

1. Basis of Presentation and Going Concern

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that Lexam Explorations Inc. (the "Company" or "Lexam") will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business.

The Company has a significant working capital deficiency and is not currently able to continue its exploration programs and discharge its liabilities in the normal course of business, and may not be able to ultimately realize the carrying value of its assets, subject to, among other things, being able to raise sufficient additional financing to fund its exploration programs. There can be no assurance that the Company will be able to raise sufficient additional financing to fulfill its expenditure commitments or complete its exploration programs.

The Company is pursuing several alternatives to address these issues, including joint venturing certain properties and seeking additional sources of debt or equity financing.

In December 1998, the Company arranged a secured demand loan facility in the amount of \$900,000 from CSA Management Inc. which, as of November 1, 2000, has amalgamated with Goldcorp Inc. Interest was calculated at prime plus 1% and is payable on demand.

On June 29, 2001, subsequent to receiving shareholder and regulatory approval, the Company issued 16,164,970 shares to creditors at \$0.10 per share in exchange for the settlement of \$1,616,497 in outstanding payables and other liabilities. Goldcorp Inc. received 11,734,264 shares of Lexam in exchange for settlement of \$1,173,426 in debt, which included the demand loan and accrued interest totalling \$1,070,337. Also included were 3,782,678 shares that are being held by Lexam as custodian for certain creditors and, as a result, share capital has been reduced by \$378,268 with an offsetting increase in accounts payable and accrued liabilities. These shares will be either issued to additional creditors or sold by Lexam with the proceeds used to pay outstanding liabilities.

2. General

The unaudited interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. The accompanying unaudited consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2000.

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

Lexam Explorations Inc.
Notes to Consolidated Financial Statements (unaudited)

3. Capital Stock

On June 29, 2001, Lexam issued 16,164,970 shares to creditors in exchange for the settlement of \$1,616,497 in outstanding payables and other liabilities as outlined in note 1. At September 30, 2001, the Company had 41,821,495 Common shares outstanding. If all outstanding options had been exercised a total of 45,741,495 shares would have been outstanding.